

**ASSEMBLY BILL**

**No. 1439**

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**Introduced by Committee on Veterans Affairs (Gordon (Chair), DeVore (Vice Chair), Canciamilla, Chavez, Evans, Oropeza, Plescia, Sharon Runner, and Saldana)**

February 22, 2005

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An act to amend Section 987.65 of the Military and Veterans Code, relating to veterans.

LEGISLATIVE COUNSEL'S DIGEST

AB 1439, as introduced, Committee on Veterans Affairs. Veteran benefits.

The Veterans' Farm and Home Purchase Act of 1974 authorizes the Department of Veterans Affairs to assist veterans in acquiring homes and farms by generally providing that the department may purchase a farm or home which the department then sells to a purchaser, as defined. Existing law limits the amount that the department may expend for purchasing a home or constructing a dwelling house and other improvements to the then current maximum Fannie Mae loan limit that is annually set by Fannie Mae for a single-family home and limits the amount the department may expend for a farm to 150% of that amount.

This bill would raise these expenditure limits to 125% of the maximum Fannie Mae loan limit for a single-family home, as provided, and thereby increase the price that the department may pay for a farm to 150% of that amount.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 987.65 of the Military and Veterans Code is amended to read:

987.65. (a) The purchase price of a home to the department, or the sum to be expended by the department pursuant to a contract for the construction of a dwelling house and other improvements, or the purchase price of a mobilehome sited on a lot owned by the purchaser and installed on a foundation system pursuant to Section 18551 of the Health and Safety Code, or the purchase price of a mobilehome converted to a fixture and improvement to the underlying real property in a mobilehome park that has been converted to a resident-owned subdivision, cooperative, condominium, or nonprofit corporation as set forth in Section 18555 of the Health and Safety Code, ~~may~~ *shall* not exceed 125 percent of the then current maximum Fannie Mae loan limit that is annually set by Fannie Mae for a single-family home.

(b) The purchase price of a mobilehome that is to be sited in a mobilehome park, as defined in Section 18214 of the Health and Safety Code, in addition to any assistance provided by the department to a veteran pursuant to subdivision (e) of Section 987.85, may not exceed one hundred twenty-five thousand dollars (\$125,000).

(c) A veteran purchasing the home may advance, subject to Section 987.64, the difference between the total price or cost of the home and the sum of the purchase price of the home to the department and any amount the department adds, under Section 987.69, to the purchase price of the home in fixing the selling price to the veteran. Any amount of the purchase price to the department may be provided by funds from participation contracts or revenue bonds.

(d) The purchase price of a farm to the department ~~may~~ *shall* not exceed 150 percent of the ~~current maximum Fannie Mae loan~~ limit described in subdivision (a). A veteran purchasing the farm may advance the difference between the total price of the farm, or the cost of the dwelling and improvements to be constructed on a farm under a contract, and the sum of the purchase price to the department or contract price to the department and any amount that the department adds, under Section 987.69, to the

- 1 purchase or contract price to the department in fixing the selling
- 2 price of the farm to the veteran.

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